

<b>TRANSMITTAL SLIP</b>		<b>DATE</b> 6 SEP 1983
<b>TO:</b> EO/DDA <i>[Signature]</i> 6 SEP 1983		
<b>ROOM NO.</b>	<b>BUILDING</b>	
<b>REMARKS:</b>  Noted!  FYI  <del>Cathy</del> <del>Carroll</del> <i>[Signature]</i> 7 2  Registry - File		
<b>FROM:</b> O/COMPTROLLER		
<b>ROOM NO.</b>	<b>BUILDING</b>	<b>EXTENSION</b>

FORM NO. 241  
1 FEB 55

REPLACES FORM 36-8  
WHICH MAY BE USED.

(47)



WASHINGTON, D.C. 20503

August 1, 1983

DD/A Registry

83-1603/10

M-83-22

DD/A REGISTRY  
FILE: 100-5

MEMORANDUM FOR HEADS OF DEPARTMENTS AND ESTABLISHMENTS

FROM: Joseph R. Wright, Jr.  
Deputy Director

SUBJECT: New Requirements for Audits of Federal Operations  
and Programs

As you know, President Reagan announced the Reform '88 Management Improvement Program last September to upgrade the management of the Federal Government. This is an aggressive and vitally important program which will require the cooperation of all departments and agencies. As part of this program, we have revised Circular A-73, "Audit of Federal operations and programs" (attached).

The magnitude of the Government's audit effort and the opportunities provided departments and agencies to reduce fraud, abuse and waste and improve operations is reflected in the following statistics on Inspector General operations for the six months ending March 31, 1983:

- ° 40,408 audit reports issued;
- ° Agency managers sustaining Inspector General recommendations for avoiding the spending of \$4.52 billion;
- ° Agency commitments to seek recovery of approximately \$799 million identified by auditors;
- ° 6,834 cases referred for legal actions;
- ° 1,916 successful individual civil or criminal actions;
- ° 329 suspensions and debarments of grantees and contractors;
- ° \$45,223,800 in recoveries from fines, settlements, and restitutions ordered.



As you can see the opportunities for savings and improvements in Federal operations resulting from agency managers' actions on audit recommendations are tremendous. Circular A-73 and the statutes establishing Inspectors General in certain departments and agencies form the basic framework for the Federal audit initiative.

As a department or agency head we will rely upon you and your management team to fully support the efforts of your Inspector General or Audit Director and to initiate whatever changes are necessary in your policies and operations to comply with the Circular's provisions. An analysis of these changes is attached.

Attachment